

**The Trend of the Investment Situation**  
shows that investors are seeking more and more good bonds, as compared with the speculative securities which have been so active. There are, we believe, logical reasons why Mortgage Public Utility Bonds of the best type should receive particular consideration. Let us supply you with some timely investment information and also with some data regarding several Public Utility Bonds of merit.

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**A. B. Leach & Co.**  
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## FINANCIAL NEWS AND COMMENT

Tendencies Toward Strength  
in Stocks—More Active Trading.

### NEW SECURITIES SOLD

Indications before the holiday recess that the stock market had been oversold were corroborated yesterday. Transactions were on a rising scale of activity and the further departure from dullness gained significance from the rising tendency of prices. This was most pronounced in the industrial department, where profit taking and bearish pressure had been heaviest on account of the concentration of speculation in the industrial quarter this year.

Short covering contributed largely to the improvement of quoted values, but this was in itself a sign of the position of the market as demonstrated by the tests to which it has been subjected this month. All the familiar considerations of recent dubious regard were urged on attention, but the interesting aspect for Allies and so far as the adversaries of domestic politics are concerned it is felt that no important apprehension is entertained regarding the coming session of Congress to compare with the exaggerated apprehensions which have generally exploded in the last week or so.

Several soft spots were developed in the share list. There was obvious pressure on Baldwin Locomotive and Crucible Steel, although they yielded only stubbornly, and the rump of war stocks was again displayed in a good deal of firmness. Realizing sales carried Martineau preferred lower and New Haven continued a decline which required no explanation in view of the requirements of the program, while the earnings of well-known savings others than in dividend distributions were.

Despite these features of the day the general tone of the market was one of underlying firmness expressed in numerous descriptions by substantial advances which were rather held in check.

But sales rather than selling in the international lists, including United States Steel, which also exhibited firmness.

The official announcement that the British Government is seeking to impound American securities held in Britain has been taken as a mean that liquidation in the future is likely to be controlled and that the object of the canvass is not for liquidating purposes so much as to provide collateral for the credits which our bankers will be more disposed to grant on security than to place in dividend distributions.

The whole market receded somewhat in the last hour on selling by traders, but quoted values in the main conveyed an impression of strength, far as any particular group of stocks or a selected group of metal issues were concerned for their upward tendency.

An argument of constructive application was unmistakably furnished by the appearance of new railroad financing. This is proof of the optimistic confidence of investors and general intelligence, and is the direct result of the great strength which the investment market has been displaying, the extraordinary ease of the money market signalized by a continuation of the cheapening process yesterday and of the widespread general business betterment which is making record breaking railroad earnings.

Two more reports for October published yesterday show that the West is participating with the East in the trade and industrial recovery. Union Pacific's gross revenues increased \$17,600,000, all representing a net increase of \$7,500,000.

The gross and net increases of the Atchison were \$202,000 and almost \$100,000, the Atchison it will be remembered, having been one of the few roads last year which did not suffer from a material contraction of earnings.

The Atchison is one of the first of the railroads to do new financing. It was announced that the road had sold to bankers \$16,000,000 of preferred stock which it had in its treasury and the encouraging fact that the sale of this capital had been made possible still further emphasized by the report that the bulk of this offering has already been distributed to investors. Bankers also bought \$60,000,000 of Baltimore and Ohio refunding and new money.

The growth and great strength of operation of this operation were strengthened by the intimation that the company would use two-thirds of its proceeds to anticipate the redemption of \$40,000,000 of notes maturing next year and in 1917.

In the afternoon it was announced by the banking committee which has been conducting negotiations here that credit of \$50,000,000 for six months at 4½ per cent interest had been arranged with the government.

Government bonds have been deposited in the Bank of England as security for this loan which has been made to eight London bankers the credit to be drawn in dollars. It is clearly understood that this transaction is only the beginning of a further extension of credit on the basis of solvency.

Sterling exchange ruled 470 for demand, but French exchange was strong in reflection of the tremendous subscriptions reported as about \$6,000,000.

French war bond subscription which adds to other tokens of improving financial conditions in France and Great Britain. More gold arrived from abroad and an interesting sign of things in Europe was furnished by the rumors that Holland was trying to lend money here instead of in Germany, where more attractive rates could be obtained.

**SYNDICATE TO HELP FRISCO.**  
Will Provide \$25,000,000 for Reorganization of Railroad.

Announcement was made late yesterday afternoon that a powerful banking syndicate was being formed for the purpose of providing the funds for the reorganization of the St. Louis and San Francisco Railroad Company. That is the amount needed to carry out the reorganization plan.

The syndicate is composed of Speyer & Co., J. W. McWilliams, Mr. George F. Miller, James Speyer, Henry Alexander, Richard Schlesinger, Edward B. Van Sickle, who is president of Germany, both as individuals and members of the banking corporation. He also names the United States Mortgage and Trust Company, which is trustee of the mortgage on the property of the Guayaquil and Quito Railroad securing the bond issue.

**HEWITT IS PETITIONER**  
On the motion of Masten & Nichols, Attorneys for Eskridge Hewitt, Judge of the United States District Court issued a temporary injunction yesterday restraining Speyer & Co., bankers of 21 Pine street, from disposing of any part of the property of the customers collected by them as fiduciary agents for the government of Ecuador during 1911 and 1912.

Mr. Hewitt in his petition asserts that Speyer & Co. were about to apply the customs funds to the repayment of the customs debts and other debts which participated in \$1,000,000 loan advanced through Speyer & Co. to Ecuador in December, 1910. The sum of \$50,000 of the first mortgage bonds of the Guayaquil and Quito Railroad Company, which had been given to the government of Ecuador gave in written promise in 1910 to guarantee the bond issue of that road with its customs receipts. Therefore, he contends, the \$1,500,000 in the hands of Speyer & Co. rightfully belongs to the bondholders of the railroad.

Mr. Hewitt brings his suit not only on behalf of himself but also in the interests of T. H. Powers Parr of 60 Wall street, who owns \$250,000 of the bonds of the railroad and the Foreign Bondholders Corporation of Great Britain, who will be the sole beneficiaries of the \$1,500,000 bond issue guaranteed by the Government of Ecuador.

As defendants in his suit over the ownership of the customs funds, Mr. Hewitt names James Speyer, Henry Alexander, Richard Schlesinger, Edward B. Van Sickle, who is president of Germany, both as individuals and members of the banking corporation. He also names the United States Mortgage and Trust Company, which is trustee of the mortgage on the property of the Guayaquil and Quito Railroad securing the bond issue.

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**SUB-TREASURY STATEMENT.**  
Wednesday

Paid by Sub-Treasury to banks, \$4,000,000 paid by banks to Sub-Treasury, \$3,000,000

Gave to banks on day's transactions, \$3,000,000

SINCE FRIDAY LAST.

Paid by Sub-Treasury to banks, \$10,000,000

Paid by Sub-Treasury to Sub-Treasury, \$10,000,000

Given to banks same period previous week, \$3,000,000

Given to banks same period previous week, \$3,000,000